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KDEM, KTIA, PE, BL  
SUBJECT: EVO BLAMES U.S. FTA FOR PERU "GENOCIDE"

REF: A. LA PAZ 867

Classified By: A/EcoPol Chief Joe Relk for reasons 1.4 (b, d)

¶1. (C) Summary: Tensions between Bolivia and Peru continue to simmer following Peru's allegations that the June 5 indigenous uprising, in which an estimated 24 police and nine indigenous were left dead, was incited by a pro-rebellion letter from President Morales (reftel). Morales' claims that the incident was "genocide from the Free Trade Agreement of the Americas (FTAA)" brought about the GOP's decision to recall its Ambassador from La Paz "indefinitely." Peru's Political Counselor told PolOff the GOB's June 17 moratorium on public comments regarding the incident was a direct result of the Peruvian Ambassador's recall and the possibility that the GOP would respond to the melee with "real consequences." He added that the GOB's "genocide" position is influenced as much by negative impacts to Bolivia's soy industry from the U.S.-Peru FTA as by any altruistic solidarity with Peru's indigenous. He also discounted the GOB's demands to extradite former ministers as manufactured outrage designed to curry electoral support in El Alto, but ultimately "absurd" considering that 276 MRTA sympathizers have enjoyed refuge in Bolivia under the Morales Administration. End Summary.

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Morales Denies Inciting June 5 Violence  
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¶2. (U) The GOP continues to blame Bolivian President Evo Morales for inciting June 5 violence in Peru based on a Morales letter read at an indigenous conference (reftel). Peruvian Foreign Minister Jose Garcia Belaunde said he did not have the "slightest doubt" that Morales provoked the uprising and President Alan Garcia warned that Morales should "not get involved in another country's affairs or send letters to get people to arm themselves." Morales Spokesman Ivan Canelas said that the President could not be held responsible for the violence, because the letter was not addressed to indigenous Peruvians, but to the members of the Congress and the global indigenous movement. GOB

Vice-President Alvaro Garcia Linera pledged to send more letters of "vindication" to all indigenous people. "We defend the principles of equality and the rights of indigenous people around the world to be recognized as first class citizens. We feel proud of issuing that message to the whole world and we will continue sending it." Meanwhile, the Second Vice-President of the Peruvian Congress, Alvaro Gutierrez said the GOB could be financing a plan to "expand international communism." "We want to tell the leaders (of Bolivia) not to squander funds. The money of the Bolivians is for the well being of those who elected them and there is lots of money that is being used to promote large demonstrations."

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Morales Calls June 5 Violence FTA "Genocide"  
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¶3. (U) Morales accused multinational companies of promoting wars over natural resources and declared, "what happened in Peru, I am convinced is the genocide of the FTAA (Free Trade Area of the Americas). The privatization, the handing over of Latin America's Amazon jungles to multinational companies, as is now happening with the FTAA between Peru and the United States, they don't care if it is necessary to commit genocide against our people to achieve their goal." President Garcia responded by calling Morales an "agitator and enemy of Peru." "Peru's enemy, Evo Morales continues to lie ... using concepts that he probably does not understand. What is genocide? If he knew well what genocide is, then he wouldn't be able to say this. And now, like a criminal who returns to the scene of a crime, he is leaving evidence which proves that he is blatantly interfering in Peruvian affairs. He is a trouble maker and an agitator." The GOB's Vice-Minister of Social Defense, Sacha Llorenti further criticized Peru's participation in FTAs. "Every government has to decide whether it is helpful or worthy, if it genuflects or rises above the impositions of imperialism. The internal problems are not cleared up with lies or blaming a neighbor. Each government is responsible whether or not it is subject to the greed of foreign capital, the plundering of their natural resources and the slow genocide and death of neo-liberalism and the FTA."

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Foreign Minister Choquehuanca Calls the Recall "Normal"  
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¶4. (U) On June 15, Garcia Belaunde announced that Peruvian Ambassador Fernando Rojas was being recalled from La Paz "indefinitely", calling Morales' statements "grotesque." "We are facing a man who imagined he could repeat what he did in Bolivian in Peru. He is trying to create conditions in Peru that were used to drag down the government of former President Gonzalo Sanchez de Lozada." Bolivian Foreign Minister David Choquehuanca responded by admitting that relations between Bolivia and Peru were experiencing a "bad moment", but that recalling an Ambassador for consultation is "something normal."

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Bolivian "Agitators" May Face Complaints Before the OAS  
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¶5. (U) Garcia Belaunde announced June 16, "we know there are Bolivians who are going to Peru ... in an attempt to create violence, which is supposedly fueled by the Bolivian government." According to June 18 press reports, the GOP is considering the possibility of submitting a report to the OAS, detailing the actions of Bolivian citizens who enter Peru in order to generate violence. President Morales responded to Peru's decision by stating, "we have no comment because they are (Peru's) internal matters."

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Peruvian Political Counselor Laments Mob Diplomacy  
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¶6. (C) Peruvian Embassy Political Counselor Eduardo Zeballos (strictly protect) told PolOff June 18 that the demonstration of about 150 protesters, including prominent government officials and aligned social group and NGO leaders, outside the Peruvian Embassy June 9 surprised the Peruvian MFA. "Bolivia is like our Canada; it would be like Canada convoking a mob outside your embassy in Ottawa." He said the last demonstration outside the Peruvian Embassy was in 1909 in response to a border dispute Zeballos said it was difficult to "logically" explain long-standing Morales Administration aggression toward Peru, given its role as Bolivia's largest trading partner and foreign investor outside of the hydrocarbon sector. He suspected the ambivalence was mainly based on a GOB desire to preemptively besmirch Peru's reputation so Bolivians do not consider it a model their own countries development. "Morales is facing many problems in his own country and probably getting tired of cruzenos (residents of the opposition stronghold state of Santa Cruz) complaining about how rapidly Peru's economy is developing by comparison."

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More to FTA Attacks than Indigenous Solidarity  
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¶7. (C) Although he conceded Morales has genuine ideological differences with Peru on trade, Zeballos added that Morales is using the issue of FTA with the United States as a smoke screen to front a seemingly altruistic argument to protect indigenous lands from exploitation in Peru when the objections are also based on protecting Bolivia's bottom line. "Morales tells them (Peruvian indigenous), 'this FTA will take your land and give it to the Yankees.'" He contended that Bolivia is at loggerheads with Peru on its FTA agreement for the "concrete reason that it (the FTA) will be detrimental to Bolivia." Peru's FTA with the United States means it will increasingly be importing U.S. soy instead of Bolivian soy, explaining that "it is cheaper to ship soy under the FTA from the Mississippi River area than from Santa Cruz."

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Extradition Outrage Outrageous  
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¶8. (C) Zeballos dismissed the GOB's demands to extradite three former ministers from the Gonzalo Sanchez de Lozada Administration as a red hearing meant to generate symbolic outrage for constituents in El Alto. He said, however, that alteno rage over the granting of asylum to these officials is both genuine and visceral. Shortly before he departed, the Peruvian Ambassador tried to explain to alteno leadership that the granting of asylum is an ACNUR/UN decision and a routine procedure in the Americas, making the all-to-obvious comparisons to Bolivia's granting of asylum to MRTA sympathizers from Peru over the years during a variety of both left- and right-leaning Bolivian governments. Zeballos said the discussion successfully diffused calls to "kick Peruvians out of El Alto," which he dismissed as "pure symbolism," as most of the Peruvians "up there" support Morales. Zeballos noted the "absurdity" of the GOB's extradition position, giving that it provided refuge to 276 MRTA sympathizers since 2005, about 180 of whom remain in Bolivia. He added that Bolivia currently protects 45 active members of the terrorist MRTA and that Peru has formal extradition requests on 12 of them. By comparison, Zeballos said the Bolivians "haven't said a peep" about extraditing former Chuquisaca Prefect (Governor) David Sanchez, who fled in 2008 to Lima amid threats from both the opposition and GOB, because "this case is embarrassing for them."

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Rhetoric Cheaper, More Effective Than Financial Support  
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¶9. (C) Zeballos claimed the GOP had no evidence the GOB had or was directly supporting violence in Peru, but added that "what matters is they are lighting the match, they (the

indigenous demonstrators) already have weapons." He said Morales supposed strategy of "fomenting indigenous rebellion is actually very clever. He gets the benefits of expanding his influence and undermine ours without spending money or having to deliver anything." He said Peru upped the ante by recalling its Ambassador. "This is why they announced they would not be commenting anymore because their comments are prompting real actions. Before it was all talk, blah blah, now that there is a threat of real consequences that would hurt."

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Comment: Deja Vu All Over Again  
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110. (C) Post notes same eerily similarities with Peru with what happened to us leading up to the nadir of our bilateral downturn in 2008: GOB blames problems, including genocide, on USG influence/initiatives (USAID and DEA in place of FTA), discounts the recall of an Ambassador as "normal," and (mis) characterizes its inflammatory rhetoric/acts as reasonable and part of its "culture of dialogue." One notable difference, the GOB's June 17 pledge to stop commenting publicly on Peru's troubles. Less than 24 hours after the pledge, however, Morales was back at it, celebrating the repeal of two controversial Peruvian decrees. Peruvian Embassy officials tell us that Morales' latest comments created even more consternation as they amounted to cheerleading for Peru's indigenous opposition. End Comment.  
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